

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH DAKOTA**

In Re: VEBLEN EAST DAIRY LIMITED PARTNERSHIP, TAX ID/EIN: 20-8870979, Debtor.	Case No. 10-10146 Chapter 11 UNITED STATES TRUSTEE'S RESPONSE TO APPLICATION FOR APPROVAL OF EMPLOYMENT OF ATTORNEYS FOR DEBTOR
--	--

The United States Trustee hereby responds to the Application for Approval of Employment of Attorneys for Debtor seeking to appoint Michael L. Meyer and the law firm of Ravich Meyer Kirkman McGrath Nauman & Tansey ("Ravich") as counsel for the above-captioned Debtor.

1. Veblen East Dairy LLC, filed a petition for chapter 11 bankruptcy relief on July 2, 2010. Schedules and Statements have not been filed. The Dairy Dozen-Veblen, LLP, filed a bankruptcy petition on the same date. It appears the Dairy Dozen-Veblen, LLP is the parent partnership of Veblen East Dairy LLP. No schedules or statements have been filed in the Dairy Dozen-Veblen, LLP case.

2. Ravich discloses receipt of a retainer of \$43,117 from the general partners of Dairy Dozen-Veblen, LLP.

3. Without Schedules and further inquiry, the United States Trustee cannot determine if there were any transfers of assets, any debts owed or guarantees of debt between the parent and the Debtor herein. If any such conflicts exist, they would be cause for denial of the Application for Approval of Employment. See, *In re Black Hills Greyhound Racing Association*, 154 B.R. 285, 292 (Bankr. D.S.D. 1993).

4. The Debtor requests that fee applications in this case be heard on 90-day intervals in the case. The Debtor further requests that it be permitted to pay invoices from Ravich as received on a monthly basis, subject to a holdback of 20% of the invoiced fees to be held in Ravich's trust account pending approval of fees by the Court.

5. The District of South Dakota does not have a Local Bankruptcy Rule allowing such a fee arrangement as does the District of Minnesota. This Court recently denied a similar fee arrangement in *In re Badlands Gaming, LLC*, Case No. 10-50227 (doc. 28) stating “The Court will allow interim fees for a particular professional more frequently than the 120 days provided by § 331 only upon a showing of cause”.

WHEREFORE, the United States Trustee prays that Ravich be required to provide additional information regarding its disinterestedness in conjunction with the payment of its retainer by The Dairy Dozen-Veblen, and that the Court deny the requested fee payment arrangement without further showing of cause.

HABBO G. FOKKENA
UNITED STATES TRUSTEE
Region 12

Dated: July 12, 2010

BY: /s/ BRUCE J. GERING
Bruce J. Gering
Assistant U.S. Trustee
314 South Main Avenue, Suite 303
Sioux Falls, SD 57104-6462
Tele: (605) 330-4450 Ext 104
Fax: (605) 330-4456
E-mail: Bruce.J.Gering@usdoj.gov